



QUARTERLY REPORT -1 FEBRUARY 2019 - 30 APRIL 2019

29 MAY 2019

Highlights

- Revised North Portia divestment terms resulting in accelerated payments to Havilah.
- \$2.000 million received in accordance with the revised terms of the North Portia divestment.
- Mutooroo as a stand-alone, lower risk, copper only project to be investigated by a new scoping study with the objective of supporting a higher throughput longer life operation.
- The proposed terms and conditions for the Kalkaroo Project mining tenements accepted.
- \$1.000 million received from SIMEC for the extension of the exclusivity agreement in regards to the Maldorky, Grants and Grants Basin Projects.
- An initial Exploration Target highlights a large volume of iron ore mineralisation in the Grants Basin based on new reconnaissance exploration drilling results.
- Beneficiation studies on Maldorky iron ore indicates a favourable 40% yield of a 65% Fe product, for an efficient overall >85% Fe recovery.
- SIMEC's internal scoping study and due diligence work on Havilah's Maldorky and Grants iron ore assets reports positive results.

Subsequent to the quarter, Havilah Resources Limited (Havilah) announced it had entered into a Share Subscription Agreement (**SSA**) with SIMEC Mining (**SIMEC**), a member of the GFG Alliance (**GFG**). The Directors of Havilah believe this is a strategic transformational opportunity for Havilah. The transaction contemplates GFG providing funding of up to \$100.000 million with respect to the Maldorky, Grants and Grants Basin iron ore assets and a copper project (consisting of the Mutooroo deposit and nearby copper projects) in the Mutooroo Copper-Cobalt District.

Additional details on the status of this proposed transaction are contained in the 'Corporate News' section of this Quarterly Report. Timelines for projects included in this report have not been updated, pending shareholder approval of the proposed transaction.

HAVILAH'S COPPER STRATEGY- ENHANCED BY COBALT

Mutooroo Project Update (Cu-Co-Au) – 100%

A new scoping study for Mutooroo seeks to enhance the project's economics and to lower risk and capital requirements with the aim of initially developing Mutooroo as a copper only, higher throughput and longer life operation ([see ASX announcement dated 10 April 2019](#)).

Underpinning the scoping study is an exploration program that seeks to investigate additional shallow copper-cobalt resources located in the surrounding highly prospective Mutooroo Copper-Cobalt District, within trucking distance of the existing Mutooroo deposit.

Drill target generation will be initially aided by a new 266 km² detailed airborne electromagnetic (AEM) survey over the Mutooroo deposit as well as existing and newly defined prospects in the area identified earlier by surface geochemical sampling ([see ASX announcement dated 18 March 2019](#)), (refer **Figure 1**).

The AEM survey commenced subsequent to the end of the quarter with final data and outputs expected two to three months after program completion.

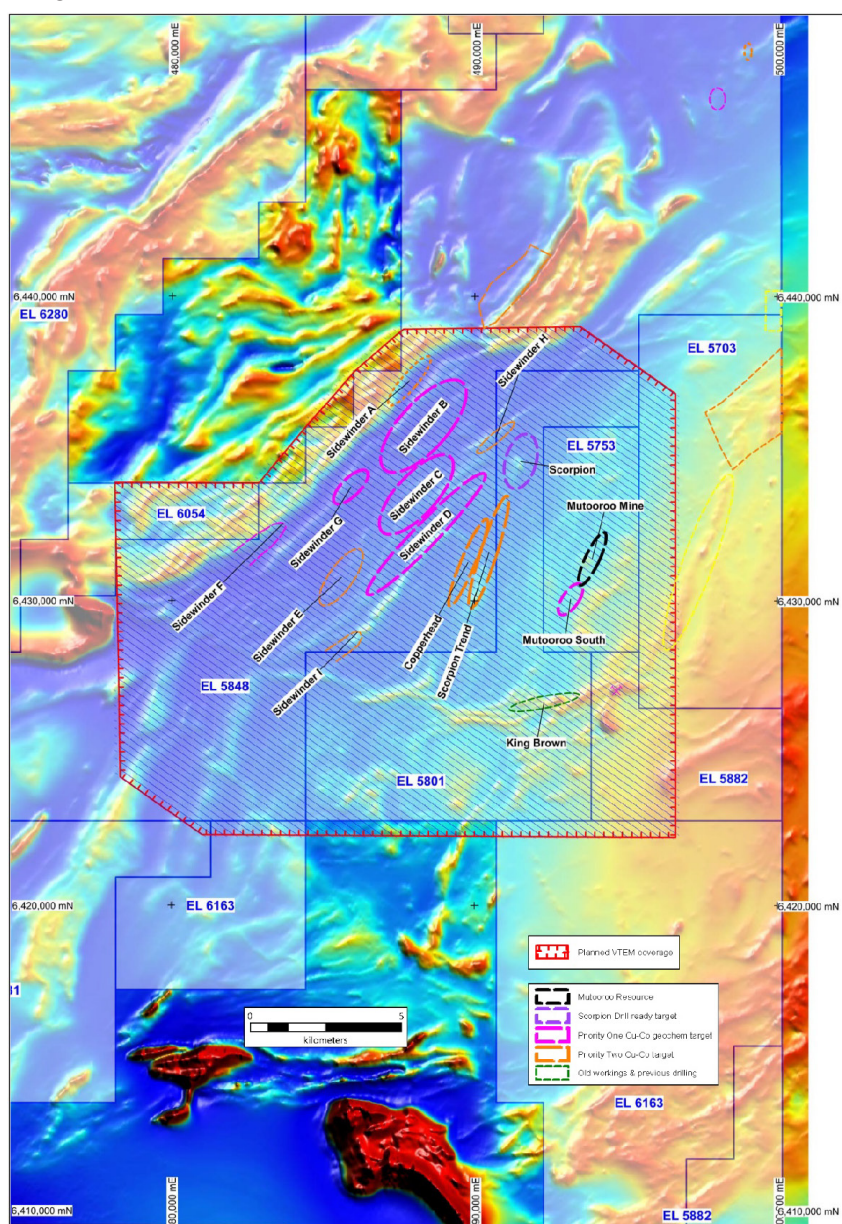


Figure 1 – Area of planned AEM coverage around Mutooroo showing Havilah tenements (shaded) and existing prospects on aeromagnetic image.

HAVILAH'S COPPER STRATEGY - ENHANCED BY COBALT

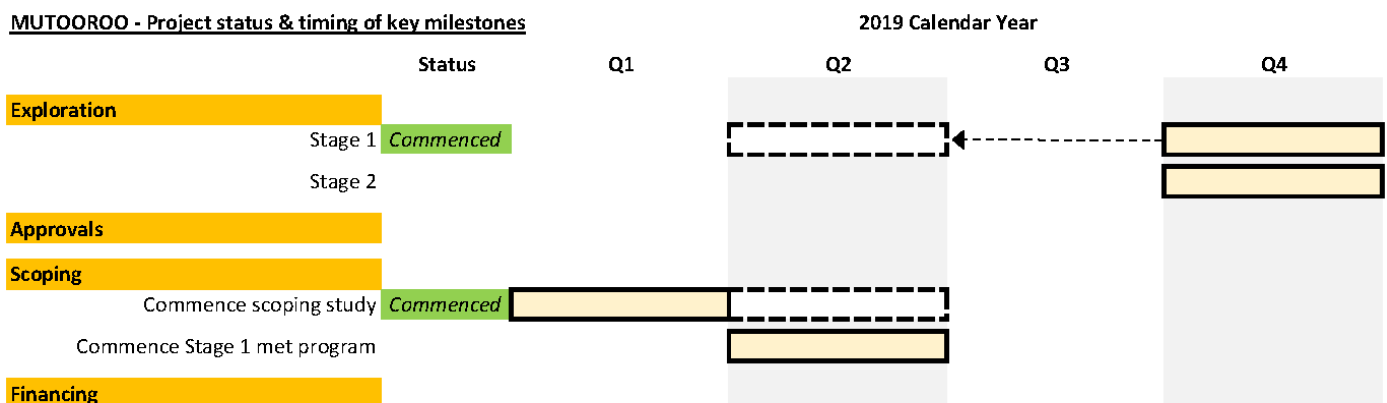
The new scoping study will utilise extensive metallurgical testing of the Mutooroo sulphide mineralisation undertaken between 2007 and 2017, which indicated that high recoveries of copper could be achieved using proven conventional flotation processing methods.

Additional metallurgical testwork is planned for the scoping study to determine the compatibility of any new sulphide resources with the existing Mutooroo flotation flowsheet. This would be further validated and optimised in the prefeasibility study (**PFS**) to follow.

The scoping study is expected to be completed in the first quarter of 2020. The scoping study is the first step in a staged work program designed to take the project through to completion of a full PFS. Later stages of the program will seek to realise the potential value of cobalt contained in the Mutooroo ore, as well as investigate the viability of transitioning to an underground mining operation.

This scope of work and timing could be modified under the proposed transaction with GFG.

MUTOOROO - Project status & timing of key milestones



Kalkaroo Project Update (Cu-Co-Au) – 100%

Notification of terms and conditions for the grant of the Kalkaroo mining tenements were received from the South Australian Department of Energy and Mining (**DEM**), in line with standard regulatory approvals processes ([see ASX announcement dated 1 April 2019](#)).

The proposed terms and conditions relate to the grant of three Mineral Leases (**MLs**) and two Miscellaneous Purposes Licences (**MPLs**) to cover the entire area required for a mining operation at the Kalkaroo copper-gold project and associated infrastructure and employee accommodation (see **Figure 2**).

Following review, Havilah accepted the proposed terms and conditions for all five applications ([see ASX announcement dated 23 April 2019](#)).

Subsequent to the end of the quarter, Havilah received formal notice of the Kalkaroo MLs and MPLs being granted by the DEM ([see ASX announcement dated 22 May 2019](#)).

The next step in the permitting process is to obtain permission to mine which requires the submission and approval of a Program for Environment Protection and Rehabilitation (**PEPR**), as required under South Australia's Mining Act before any mining activity can commence.

HAVILAH'S COPPER STRATEGY - ENHANCED BY COBALT

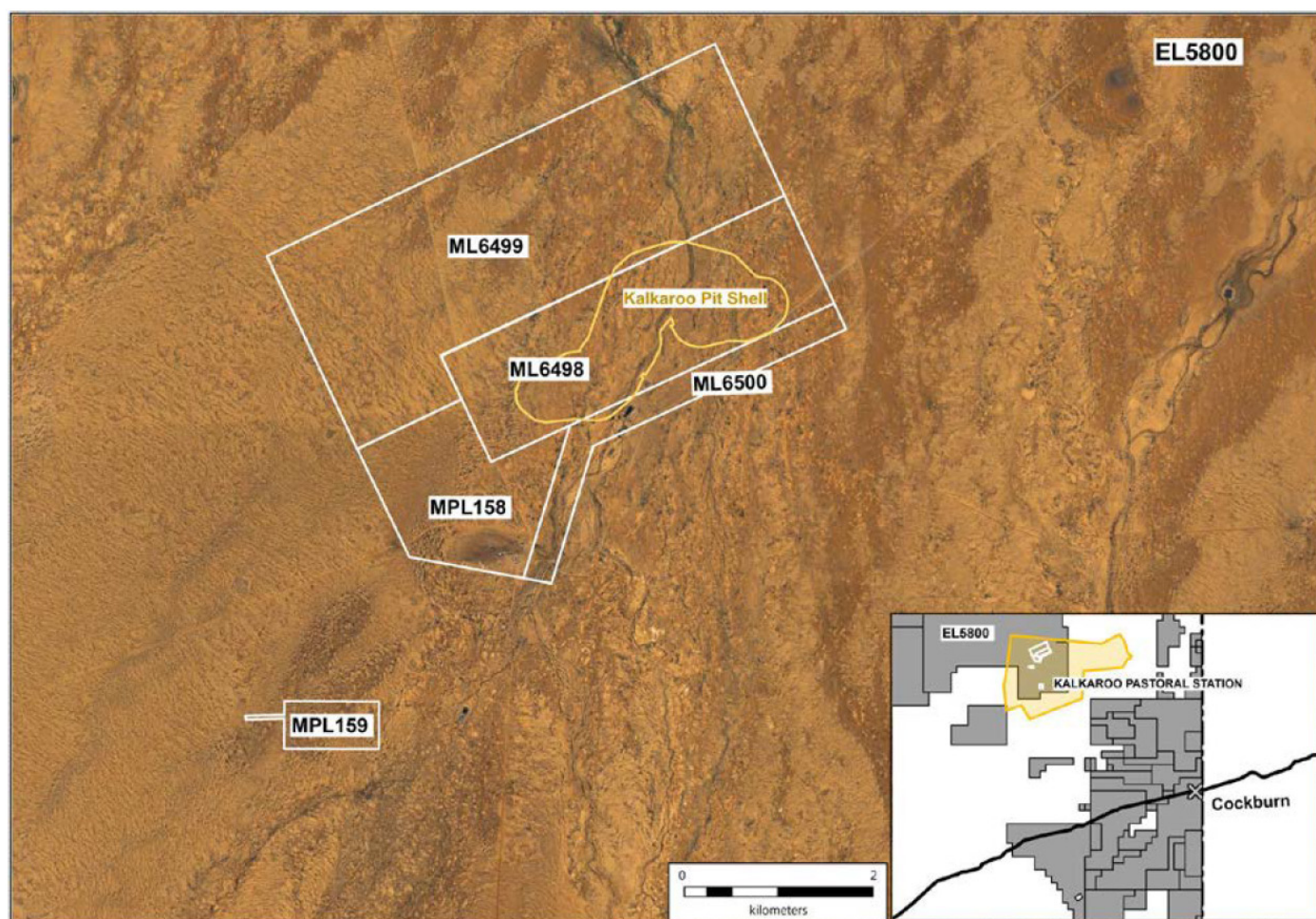
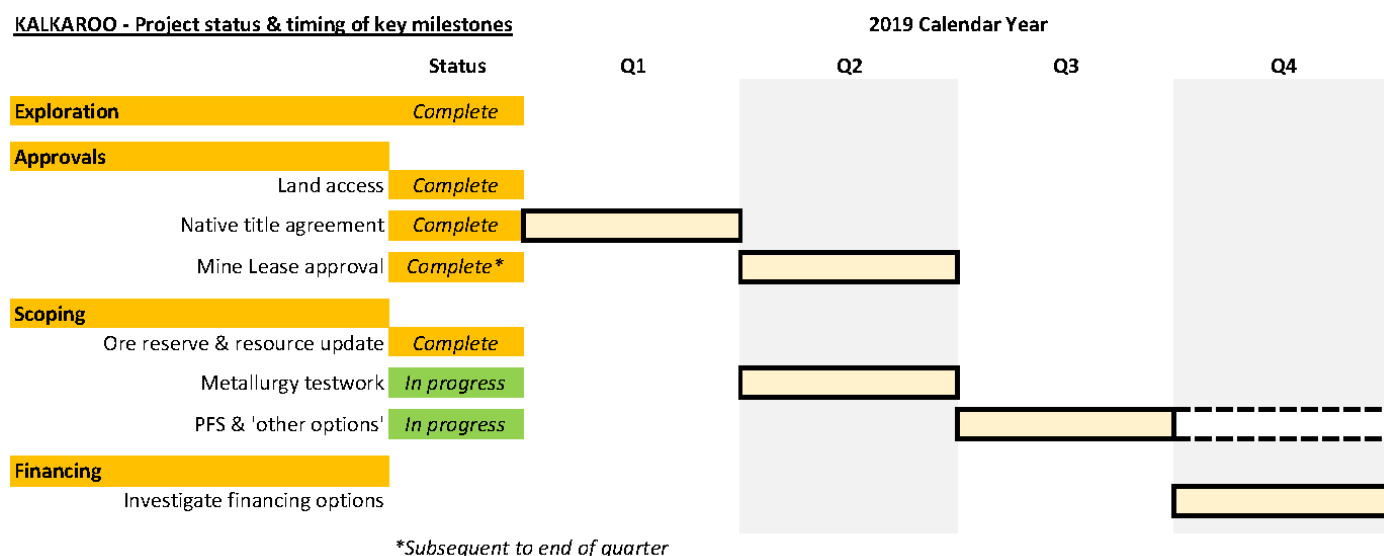


Figure 2 - Image showing the various mining tenements in relation to the conceptual Kalkaroo open pit shell and the Kalkaroo pastoral lease owned by Havilah.

The metallurgical program is continuing as part of the Kalkaroo PFS update with positive outcomes reported subsequent to the end of the quarter ([see ASX announcement dated 9 May 2019](#)).

KALKAROO - Project status & timing of key milestones



PORTFOLIO - OTHER PROJECTS

Iron Ore Update (Maldorky, Grants, & Grants Basin) (Fe) – 100%

SIMEC continued its work program as part of its due diligence investigation of the commercialisation potential of the Maldorky and Grants iron ore projects.

Based on the results of the reconnaissance drilling at the Grants Basin discovery completed in late 2018 / early 2019, an Exploration Target* of 3.47 to 3.79 billion tonnes grading 23.9 to 27.6% Fe has been stated ([see ASX announcement dated 5 April 2019](#)).

(*The Company confirms that it is not aware of any new information or data that materially affects the Exploration Target and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.)

SIMEC provided an update on its internal scoping study and due diligence work on Maldorky and Grants iron ore projects the outcomes of which have been encouraging to date ([see ASX announcement dated 24 April 2019](#)).

A key conclusion by SIMEC was that the results from recent reconnaissance drilling in the Grants Basin were sufficiently encouraging to warrant a resource drilling campaign with the objective of defining a JORC resource of sufficient size to support a viable commercial operation in terms of mine life and processing plant throughput.

An extensive metallurgical testing program was undertaken on Maldorky iron ore drillcore samples using a conventional processing circuit that included crushing and grinding followed by gravity and magnetic separation. Results to date have demonstrated the targeted product grade of 65% Fe and mass recovery level of 40% can be achieved, as well as a high total iron recovery of 85%. While the initial test program was focused on the Maldorky deposit, diamond drillcore from Grants Basin is currently being tested to validate replication for both deposits.

The program also identified a potential opportunity to reduce the capital cost of comminution by employing alternative dry grinding technology that simplifies the circuit and eliminates the requirement for water in front end processing.

The internal scoping study also includes preliminary investigations into sourcing water and power for the potential project, as well as product transportation options.

SIMEC had planned the following work as part of a PFS:

1. Additional drilling to establish a JORC mineral resource estimate at the Grants Iron Ore Basin to support the required mine life and design production rate.
2. Develop the preferred flowsheet, and define supporting infrastructure requirements.
3. Evaluate downstream concentrate utilisation and market analysis.
4. Finalise strategies to source water and power to support the project.
5. Commence environmental baseline studies and stakeholder engagement to support project permitting process.

This scope of work could be modified under the proposed transaction with GFG which was subsequently announced.

The exclusivity of SIMEC over the Maldorky and Grants iron ore projects was modified as follows:

To facilitate the ongoing work, SIMEC's exclusivity over the Maldorky and Grants iron ore projects was extended until 31 March 2019 in return for a \$1.000 million payment to Havilah ([see ASX announcement dated 1 February 2019](#)).

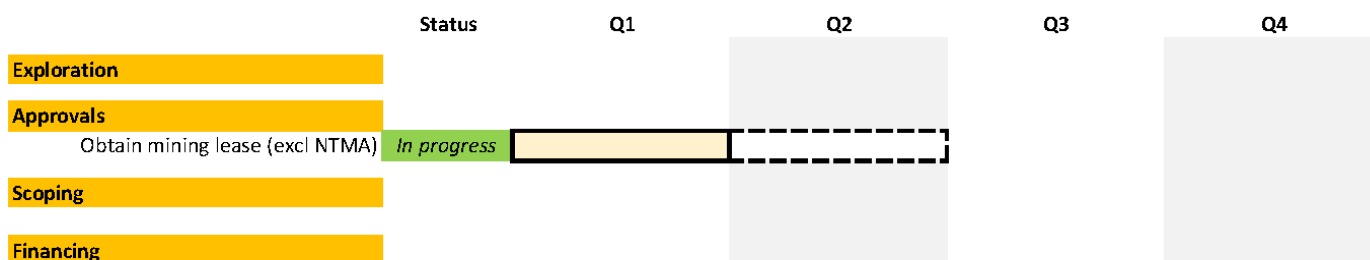
The exclusivity period was subsequently extended a further 30 days until the end of April 2019 to allow additional time for SIMEC to complete its due diligence work and for the parties to continue negotiations ([see ASX announcement dated 28 March 2019](#)).

PORTFOLIO - OTHER PROJECTS

Subsequent to the end of the quarter, Havilah announced that it had entered into a Share Subscription Agreement with SIMEC contemplating an investment of up to \$100.000 million with respect to the Maldorky, Grants and Grants Basin iron ore assets and a copper project (consisting of the Mutooroo deposit and nearby copper prospects) in the Mutooroo Copper-Cobalt District ([see ASX announcement dated 1 May 2019](#)).

MALDORKY - Project status & timing of key milestones

2019 Calendar Year



FINANCE UPDATE

Cash Flow Analysis

As at 30 April 2019, cash at bank was \$2.312 million with \$2.500 million drawn on the Investec standby facility, which results in a net debt position of \$0.128 million.

A breakdown of Havilah's cash flows (exclusive of financing activities but inclusive of staffing costs) for the year-to-date (YTD) period is as follows:

FY19	QTR 1	QTR 2	QTR 3	YTD
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue				
Royalty revenue	0.111	-	0.038	0.149
Silver sales	-	-	0.021	0.021
Total Sales Revenue	0.111	-	0.059	0.170
Divestment of Subsidiary – Proceeds	-	-	2.000	2.000
SIMEC Exclusivity Extension	-	-	1.000	1.000
Total Other Revenue	-	-	3.000	3.000
Total Cash Inflows	0.111	-	3.059	3.170
Costs				
Divestment of Subsidiary – Permitting Costs	(0.339)	(0.054)	(0.044)	(0.437)
Corporate and Administration	(0.449)	(0.701)	(0.560)	(1.710)
Working Capital Changes	0.059	0.123	(0.051)	0.131
Exploration	(0.763)	(0.721)	(1.115)	(2.599)
Fixed Asset Purchases	(0.078)	(0.001)	(0.013)	(0.092)
Other	(0.025)	(0.250)	(0.124)	(0.399)
Total Cash Outflows	(1.595)	(1.604)	(1.907)	(5.106)
Net Cash (Outflow)/Inflow	(1.484)	(1.604)	1.152	(1.936)
Reconciliation				
Fixed Asset Purchases	0.078	0.001	0.013	0.092
Divestment of Subsidiary – Proceeds	-	-	(2.000)	(2.000)
Appendix 5B Net Cash used in Operating Activities	(1.406)	(1.603)	(0.835)	(3.844)

During the quarter, Havilah received \$1.000 million for the SIMEC exclusivity extension on the Maldorky, Grants and Grants Basin iron ore projects and \$2.000 million from CMC pursuant to the revised terms of the North Portia divestment agreement.

In finalising Havilah's involvement in the North Portia permitting work, Havilah incurred \$0.044 million (inclusive of the associated staffing costs). Exploration costs for the quarter increased by 55%, being \$1.115 million (inclusive of staffing costs), primarily due to Kalkaroo native title payments of \$0.200 million and AEM survey costs related to the Mutooroo Project of \$0.087 million. Corporate and administration costs for the quarter decreased by 20%, normalising following the expenditure associated with the Extraordinary General Meeting during the second quarter of FY19.

During the quarter, Havilah delivered the 300 ounces of gold nuggets due pursuant to a forward sales agreement from 2016. At the end of the quarter, the Company had 71 ounces of gold nuggets (by weight only) remaining in inventory.

Securities On Issue

Shares and Options Outstanding		
Category	ASX Code	Number millions
Listed Ordinary Shares	HAV	218.2
Listed Options	HAVOC	13.6
Unlisted Options		10.1

Cash Flow Forecast

The cash flow forecast has been limited to only include the next quarter due to the uncertainty in forecasting the outcome of approval of the proposed transaction with GFG.

	FY19
	QTR 4
	(Ending 31 July 2019)
	\$ millions
Cash Inflows	
Royalty Revenue	0.020
Divestment of Subsidiary – Proceeds	4.000
Total Cash Inflows	4.020
Cash Outflows	
Corporate and Administration	(0.700)
Exploration	(0.942)
Total Cash Outflows	(1.642)
Net Cash Inflows	2.378
Drawdown/(Repayment) of Debt	-
Net Cash Balance	4.690
Debt Balance	(2.500)
Net Cash Position	2.190

Previously the Company has drawn down \$2.500 million from the Investec standby facility leaving \$3.500 million available for future use.

Updated Terms for the North Portia Divestment

During the current quarter, Havilah negotiated revised divestment terms with Consolidated Mining and Civil (CMC) to provide a mutually beneficial commercial outcome, with accelerated cash payments to Havilah while providing CMC with greater flexibility ([see ASX announcement dated 8 Apr 2019](#)).

The revised terms remove the uncertainty around the receipt of payments and reduce costs as payments are no longer linked to permitting obligations.

The revised total divestment price for North Portia is now \$12.000 million plus a 1.5% NSR royalty. This remains a favourable outcome for Havilah.

Under the revised terms Havilah received the second instalment of \$2.000 million on 5 April 2019. Subsequent to the quarter end, Havilah received the third instalment of \$4.000 million ([see ASX announcement dated 23 May 2019](#)). Completion and signing of the revised North Portia divestment documentation, earlier than originally anticipated, has allowed the payment to be brought forward from July 2019.

Research and Development (R&D) AusIndustry Review

During the current quarter, Havilah has continued to make payments to the ATO towards the original total amount outstanding of \$1.385 million, with the final payment due in April 2020. Payments of \$0.040 million have been made towards this payable during the current quarter leaving the outstanding balance at \$1.285 million.

It should be noted that Havilah continues to dispute the findings of Industry Science Australia, re-affirms its position that the Research and Development projects claimed are legitimate and has argued its case at the Administrative Appeals Tribunal hearing which commenced in March 2019 and is scheduled to continue in June 2019.

BUSINESS PLAN UPDATE

Havilah's 2019 Business Plan Scorecard

1 st Quarter Ending 31 March	2 nd Quarter Ending 30 June	3 rd Quarter Ending 30 September	4 th Quarter Ending 31 December
Mutooroo Commence scoping study	Mutooroo Commence Stage 1 metallurgy program	Mutooroo Drill along strike	Mutooroo Drill Mutooroo at depth
Kalkaroo Obtain native title	Kalkaroo ¹ Obtain Mineral Leases	Kalkaroo Complete PFS	Mutooroo Drill district targets
Maldorky Mining Lease Submission	Kalkaroo Complete metallurgical testing program	Portfolio Pursue transaction on iron ore projects	Kalkaroo Identify Curnamona regional copper targets
	North Portia ² Complete Stage 1 permitting		Kalkaroo Investigate financing options
	Exploration Secure JV to investigate Jupiter anomaly		North Portia ² Commence Stage 2 permitting
			Exploration Maintain exploration tenements
Status			
Completed	On Track	Potential Delay	Delayed

¹ Granted subsequent to quarter end.

² Marked as 'Completed' as the revision of North Portia divestment terms resulted in Havilah's permitting obligations being eliminated.

Havilah Secures Funding of up to \$100.000 Million from GFG Alliance

Subsequent to the quarter Havilah announced that it had entered into an SSA with SIMEC, which is part of GFG. The Directors of Havilah believe this is a transformational strategic opportunity for Havilah.

The transaction contemplates GFG providing funding of up to \$100.000 million with respect to the Maldorky, Grants and Grants Basin iron ore assets and a copper project (consisting of the Mutooroo deposit and nearby copper prospects) in the Mutooroo Copper-Cobalt District (collectively the **Projects**) in the Curnamona Craton of South Australia.

The investment consists of a committed staged equity investment in Havilah of \$50.000 million, plus a further \$50.000 million in conditional or discretionary funding (if all of the committed funding is provided it is expected that GFG will hold approximately 51% of the share capital of Havilah). Funds will be applied via agreed work programs to advance the Projects to completed definitive feasibility studies over an anticipated and relatively short three-year period, as well as potentially providing funding for discretionary exploration, corporate and administration costs.

The transaction establishes a strategic alliance with GFG, which has a major investment in South Australia via operation of the Whyalla Steelworks and Whyalla port and export facility. GFG has the capacity to support and facilitate the future growth of Havilah through access to global capital markets, capital investment, technical assistance and commercial offtake agreements. The transaction will position Havilah as a fully funded minerals explorer and developer. It provides the opportunity to rapidly advance two of Havilah's major projects to production at a scale and within a timeframe to meet GFG's ambitious growth plans in South Australia.

In recognition of GFG's significant investment and consistent with the strategic alliance, the SSA gives GFG the right to nominate directors to complement the Havilah Board, but it requires that the Havilah Board must be comprised of a majority of independent directors at all times and must have an independent Chair.

Havilah will in due course call an extraordinary general meeting for the purpose of requesting shareholders to approve the transaction contemplated by the SSA in accordance with the Corporations Act and the ASX Listing Rules.

The notice of meeting is in the process of being prepared, and Havilah has sought an ASX waiver to allow the issue of shares to GFG over a period of more than three months. The notice of meeting will also contain an independent expert's report, which is currently being prepared, in relation to the transaction contemplated by the SSA, as well as other material information including the recommendation of each director on how shareholders should vote on the resolution and the reasons for those recommendations. It is expected that the notice of meeting will be dispatched towards the end of June 2019.

Havilah notes that unless there is a material change in Havilah's circumstances, which may include receipt of a superior proposal or any other material information that comes to light, each of the directors intends to recommend that shareholders vote in favour of approving the subscriptions contemplated by the SSA.

For more information regarding the proposed transaction, please refer to [the ASX announcement of 1 May 2019](#).

During the Quarter, the following price sensitive ASX announcements were released:

[SIMEC Exclusivity Extended Iron Ore Projects: 1 February 2019](#)
[Quarterly Report – Period Ending 31 January 2019: 27 February 2019](#)
[Retraction of Non-JORC Compliant Information: 25 March 2019](#)
[SIMEC Exclusivity Extended on Iron Ore Projects: 28 March 2019](#)
[Kalkaroo Mining Lease Milestone: 1 April 2019](#)
[Grants Basin Iron Ore Exploration Target*: 3 April 2019](#)
[Grants Basin Iron Ore Exploration Target*- Amended: 5 April 2019](#)
[North Portia Revised Divestment Terms: 8 April 2019](#)
[New Mutooroo Scoping Study Seeks to Enhance Economics: 10 April 2019](#)
[Interim Financial Report for the Half Year Ended 31 January 2019: 15 April 2019](#)
[Iron Ore Scoping Study Update: 24 April 2019](#)

JORC RESOURCE AND RESERVE SUMMARY

JORC Ore Reserves as of 31 July 2018

Project	Classification	Tonnes (Mt)	Copper %	Gold g/t	Copper tonnes (Kt)	Gold ounces (Koz)
Kalkaroo ¹	Proved	90.2	0.48	0.44	430	1,282
	Probable	9.9	0.45	0.39	44	125
Total		100.1	0.47	0.44	474	1,407

JORC Mineral Resources as of 31 July 2018

Project	Classification	Resource Category	Tonnes	Copper %	Cobalt %	Gold g/t	Copper tonnes	Cobalt tonnes	Gold ounces
Mutooroo ²	Measured	Oxide	598,000	0.56	0.040	0.08			
	Total	Oxide	598,000	0.56	0.040	0.08	3,300	200	1,500
	Measured	Sulphide Copper-Cobalt-Gold	4,149,000	1.23	0.140	0.18			
	Indicated	Sulphide Copper-Cobalt-Gold	1,697,000	1.52	0.140	0.35			
	Inferred	Sulphide Copper-Cobalt-Gold	6,683,000	1.71	ISD	ISD			
	Total	Sulphide Copper-Cobalt-Gold	12,529,000	1.53			191,700	8,200	43,100
	Total Mutooroo		13,127,000				195,000	8,400	44,600
Kalkaroo ³	Measured	Oxide Gold Cap	12,000,000			0.82			
	Indicated	Oxide Gold Cap	6,970,000			0.62			
	Inferred	Oxide Gold Cap	2,710,000			0.68			
	Total	Oxide Gold Cap	21,680,000			0.74			514,500
	Measured	Sulphide Copper-Gold	85,600,000	0.57		0.42			
	Indicated	Sulphide Copper-Gold	27,900,000	0.49		0.36			
	Inferred	Sulphide Copper-Gold	110,300,000	0.43		0.32			
	Total	Sulphide Copper-Gold	223,800,000	0.49		0.36	1,096,600		2,590,300
	Total Kalkaroo		245,480,000				1,096,600		3,104,800
	Inferred	Cobalt Sulphide ⁴	193,000,000		0.012			23,200	
Total All Projects		All Categories (rounded)	258,607,000				1,291,600	31,600	3,149,400
Project	Classification	Tonnes (Mt)	Iron (%)	Fe concentrate (Mt)	Estimated yield				
Maldorky ⁵	Indicated	147	30.1	59	40%				
Grants ⁶	Inferred	304	24	100	33%				
Total all projects	All categories	451		159					
Project	Classification	Tonnes (Mt)	eU3O8 (ppm)	Contained eU3O8 (Tonnes)					
Oban ⁷	Inferred	8	260	2,100					

Footnotes to 2018 JORC Ore Reserve and Mineral Resource Tables

Numbers in tables are rounded

Based on JORC resources

¹ Details released to ASX: 18 June 2018 (Kalkaroo)

² Details released to ASX: 18 October 2010 (Mutooroo)

³ Details released to ASX 30 January 2018 & 7 March 2018 (Kalkaroo)

⁴ Note that the Kalkaroo cobalt Inferred resource is not added to the total tonnage

⁵ Details released to ASX: 10 June 2011 applying an 18% Fe cut-off (Maldorky)

⁶ Details released to ASX: 25 December 2012 applying an 18% Fe cut-off (Grants)

⁷ Details released to ASX: 4 June 2009 using a grade-thickness cutoff of 0.015 metre % eU3O8 (Oban)



Appendix 5B (Unaudited)

ASX Quarterly Financial Report

For the Quarter Ended 30 April 2019

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Havilah Resources Limited

ABN

39 077 435 520

Quarter ended ("current quarter")

30 April 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	59	170
1.2 Payments for		
(a) exploration & evaluation	(637)	(1,209)
(b) development	(11)	(232)
(c) production	-	-
(d) staff costs	(694)	(2,309)
(e) administration and corporate costs	(428)	(865)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(124)	(401)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – SIMEC exclusivity extension payment	1,000	1,000
1.9 Net cash from / (used in) operating activities	(835)	(3,844)

+ See chapter 19 for defined terms
1 September 2016

Appendix 5B
Mining exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(13)	(17)
(b) mineral tenements (see item 10)		-	(75)
(c) investments		-	-
(d) other non-current assets		-	-
2.2 Proceeds from the disposal of:			
(a) property, plant and equipment		-	-
(b) mineral tenements (see item 10)		-	-
(c) investments		-	-
(d) other non-current assets		-	-
2.3 Cash flows from loans to other entities		-	-
2.4 Dividends received (see note 3)		-	-
2.5 Other – proceeds on sale of subsidiary in prior year		2,000	2,000
2.6 Net cash from / (used in) investing activities		1,987	1,908

3. Cash flows from financing activities			
3.1 Proceeds from issues of shares			
3.2 Proceeds from issue of convertible notes		-	-
3.3 Proceeds from exercise of share options		-	-
3.4 Transaction costs related to issues of shares, convertible notes or options		-	-
3.5 Proceeds from borrowings		-	2,500
3.6 Repayment of borrowings		(23)	(98)
3.7 Transaction costs related to loans and borrowings		-	-
3.8 Dividends paid		-	-
3.10 Net cash from / (used in) financing activities		(23)	2,402

4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1 Cash and cash equivalents at beginning of period		1,183	1,846
4.2 Net cash from / (used in) operating activities (item 1.9 above)		(835)	(3,844)
4.3 Net cash from / (used in) investing activities (item 2.6 above)		1,987	1,908

+ See chapter 19 for defined terms
1 September 2016

Page 2

Appendix 5B
Mining exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(23)	2,402
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,312	2,312

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances (cash on hand and at bank)	2,312	1,123
5.2	Call deposits (cash on deposit)	-	60
5.3	Bank overdrafts	-	-
5.4	Other (Share Capital Trust Account)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,312	1,183

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

(179)

-

Item 6.1 consists of \$0.048 million of director's fees, salaries and superannuation paid to non-executive directors.

In addition, item 6.1 includes:

- \$0.065 million paid for legal services provided by a related party (Arion Legal) of Mr Mark Stewart
- \$0.064 million paid pursuant to the ongoing consulting services agreement with Dr Christopher Giles (as detailed in the FY18 Annual Report) to a nominated company in which Dr Giles has a controlling interest,
- \$0.001 million for marketing and public relations support to a related party (William Giles) of Dr Christopher Giles, and
- \$0.001 million paid to a related party (ITABA) of Mr Walter Richards to finalise bringing certain accounting services inhouse.

The terms and conditions of all these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities or parties on an arm's length basis. The rates paid for these services were also competitive when compared to commercial rates available for the same or similar services from non-related party providers.

+ See chapter 19 for defined terms
1 September 2016

Appendix 5B Mining exploration entity quarterly report

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	500	-
8.2	Credit standby arrangements	6,000	2,500
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Overdraft facility with NAB of \$0.500 million at a business lending rate of 3.57% plus a customer margin of 2.2% (Secured).

Standby facility with Investec \$6.000 million at a base rate of BBSY plus a margin of 8% (Secured).

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	432
9.2	Development	-
9.3	Production	-
9.4	Staff costs	800
9.5	Administration and corporate costs	410
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	1,642

10.	Changes in mineral tenements (items 2.1(b) and 2.2(b) above)	Mineral tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mineral tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mineral tenements acquired or increased	ELA2019/00021 Tepco	Exploration tenement acquired (application in process)	Nil	100%

+ See chapter 19 for defined terms
1 September 2016

Appendix 5B Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 29 May 2019
(Company Secretary & Business Manager)

Print name: Claire Redman

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

+ See chapter 19 for defined terms
1 September 2016

TENEMENT TABLE

Summary of Tenements for Quarter Ending 30 April 2019 (ASX Listing Rule 5.3.3)

Location	Project Name	Tenement No.	Tenement Name	Registered Owner ¹	% Interest	Status
Tenements held during Quarter Ended 30 April 2019:						
South Australia	Curnamona	EL5396	Olary	Havilah	100	Current
South Australia	Curnamona	EL5420	Lake Namba	Havilah	100	Current
South Australia	Curnamona	EL5421	Swamp Dam	Havilah	100	Current
South Australia	Curnamona	EL5422	Telechie	Havilah	100	Current
South Australia	Curnamona	EL5423	Yalu	Havilah	100	Current
South Australia	Curnamona	EL5437	Woodville Dam	Havilah	100	Current
South Australia	Curnamona	EL5448	Carnanto	Havilah	100	Current
South Australia	Curnamona	EL5463	Prospect Hill South	Havilah	100	Current
South Australia	Curnamona	EL5476	Lake Yandra	Havilah	100	Current
South Australia	Curnamona	EL5478	Tarkarooloo	Havilah	100	Current
South Australia	Curnamona	EL5488	Eurinilla	Havilah	100	Current
South Australia	Curnamona	EL5502	Collins Tank	Havilah	100	Current
South Australia	Curnamona	EL5505	Lake Frome	Havilah	100	Current
South Australia	Curnamona	EL5578	Kalabity	Havilah	100	Current
South Australia	Gawler Craton	EL5579	Sandstone	Havilah	100	Current
South Australia	Curnamona	EL5593	Billeroo West	Havilah	100	Current
South Australia	Curnamona	EL5703	Bundera	Havilah	100	Current
South Australia	Curnamona	EL5753	Mutooroo Mine	Havilah	100	Current
South Australia	Curnamona	EL5754	Mundi Mundi	Havilah	100	Current
South Australia	Curnamona	EL5755	Bonython Hill	Havilah	100	Current
South Australia	Curnamona	EL5760	Bumbarlow	Havilah	100	Current
South Australia	Curnamona	EL5764	Maljanapa	Havilah	100	Current
South Australia	Curnamona	EL5785	Moko	Havilah	100	Current
South Australia	Curnamona	EL5800	Kalkaroo	Havilah	100	Current
South Australia	Curnamona	EL5801	Mutooroo West	Havilah	100	Current
South Australia	Curnamona	EL5802	Mulyungarie	Havilah	100	Current
South Australia	Curnamona	EL5803	Telechie North	Havilah	100	Current
South Australia	Curnamona	EL5824	Coolibah Dam	Havilah	100	Current
South Australia	Curnamona	EL5831	Bonython Hill (2)	Havilah	100	Current
South Australia	Curnamona	EL5848	Mingary (2)	Havilah	100	Current
South Australia	Curnamona	EL5853	Oratan	Havilah	100	Current
South Australia	Curnamona	EL5873 ²	Benagerie	Havilah	100	Current
South Australia	Curnamona	EL5882	Mutooroo (2)	Havilah	100	Current
South Australia	Curnamona	EL5891 ³	Prospect Hill	Teale & Brewer	65	Current
South Australia	Curnamona	EL5903	Border Block	Havilah	100	Current
South Australia	Curnamona	EL5904	Mundaerno Hill	Havilah	100	Current
South Australia	Curnamona	EL5915 ²	Emu Dam	Havilah	100	Current
South Australia	Curnamona	EL5940	Coonarbine	Havilah	100	Current
South Australia	Curnamona	EL5951	Jacks Find	Curnamona	100	Current
South Australia	Curnamona	EL5952	Thurlooka	Curnamona	100	Current
South Australia	Curnamona	EL5956	Wompinie	Havilah	100	Current
South Australia	Curnamona	EL5964	Yalkalpo East	Curnamona	100	Current
South Australia	Curnamona	EL5966	Moolawatana	Curnamona	100	Current
South Australia	Gawler Craton	EL6014 ⁴	Pernatty	Red Metal, Havilah	12.6	Current
South Australia	Curnamona	EL6041	Cutana	Havilah	100	Current
South Australia	Curnamona	EL6054	Bindarra	Havilah	100	Current
South Australia	Curnamona	EL6056	Frome	Havilah	100	Current
South Australia	Curnamona	EL6099	Lake Carnanto	Havilah	100	Current
South Australia	Curnamona	EL6161	Chocolate Dam	Havilah	100	Current
South Australia	Curnamona	EL6163	Mutooroo South	Havilah	100	Current
South Australia	Curnamona	EL6164	Cootabarlow	Havilah	100	Current
South Australia	Curnamona	EL6165	Poverty Lake	Havilah	100	Current
South Australia	Curnamona	EL6194	Bundera Dam	Havilah	100	Current
South Australia	Curnamona	EL6203	Watsons Bore	Havilah	100	Current
South Australia	Curnamona	EL6211	Cochra	Havilah	100	Current
South Australia	Curnamona	EL6258	Kidman Bore	Havilah	100	Current
South Australia	Curnamona	EL6271	Prospect Hill Southwest	Havilah	100	Current
South Australia	Curnamona	EL6280 ⁵	Mingary	Havilah	100	Current
South Australia	Curnamona	EL6298	Yalkalpo	Curnamona	100	Current
South Australia	Curnamona	EL6323	Lake Charles	Havilah	100	Current
South Australia	Curnamona	ELA2019/00021*	Tepco	Havilah	100	Application

TENEMENT TABLE

Summary of Tenements for Quarter Ending 30 April 2019 (ASX Listing Rule 5.3.3)						
Location	Project Name	Tenement No.	Tenement Name	Registered Owner ¹	% Interest	Status
Tenements held during Quarter Ended 30 April 2019:						
South Australia	Kalkaroo	MC3826	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3827	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3828	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC4368	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC4369	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MPLA T02680	Kalkaroo	Kalkaroo	100	Application
South Australia	Kalkaroo	MPLA T02978	Kalkaroo	Kalkaroo	100	Application
South Australia	Maldorky	MC4271	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4272	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4273	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4274	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4364	Maldorky	Maldorky	100	Current
South Australia	Mutooroo	ML5678	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3565	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3566	Mutooroo	Mutooroo	100	Current
South Australia	Frome	GEL181	Frome	Geothermal	100	Current
Tenements disposed during Quarter Ended 30 April 2019:						
Nil						
Note 1 <i>Havilah: Havilah Resources Limited</i> <i>Curnamona: Curnamona Energy Pty Limited, a wholly owned subsidiary of Havilah Resources Limited</i> <i>Kalkaroo: Kalkaroo Copper Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited</i> <i>Maldorky: Maldorky Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited</i> <i>Mutooroo: Mutooroo Metals Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited</i> <i>Geothermal: Geothermal Resources Pty Limited, a wholly owned subsidiary of Havilah Resources Limited</i> <i>Red Metal: Red Metal Limited</i> <i>Teale & Brewer: Teale and Associates Pty Ltd, Adrian Mark Brewer</i>						
Note 2 <i>1% Net Smelter Return payable to MMG</i>						
Note 3 <i>Agreement - farm-in to earn 85% interest in tenement</i>						
Note 4 <i>Agreement - farm-in to dilute to 10%</i>						
Note 5 <i>1.25% Net Smelter Return payable to Exco Operations (SA), Polymetals (White Dam) Pty Ltd</i>						
* Denotes a change during the Quarter						

SUMMARY OF GOVERNANCE & COMPETENT PERSON STATEMENT

Summary of governance arrangements and internal controls in place for the reporting of Ore Reserves and Mineral Resources.

Ore Reserves and Mineral Resources are estimated by suitably qualified employees and consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation were reviewed by suitably qualified Competent Persons prior to inclusion in this Quarterly Report.

Competent Person's Statement

The information in this Quarterly Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by geologist, Dr Chris Giles, a Competent Person who is a member of The Australian Institute of Geoscientists. Dr Giles is a Director of the Company and is employed by Havilah on a consultancy agreement. Dr Giles has sufficient experience, which is relevant to the style of mineralisation and type of deposit and activities described herein, to qualify as a Competent Person as defined in the 2012 Edition of "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Giles consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS & REGISTERED OFFICE

Forward Looking Statements

This Quarterly Report prepared by Havilah Resources Limited (or 'the Company') includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'continue', and 'guidance', or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves and resources, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial market regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in this Quarterly Report speak only at the date of issue. Subject to any continuing obligations under applicable law or the ASX listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Registered Office and Principal Place of Business

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